

**STATEMENT OF**  
**BERT C. ROBERTS**  
**CHAIRMAN OF THE BOARD**  
**WORLDCOM, INC.**  
**BEFORE THE**  
**COMMITTEE ON FINANCIAL SERVICES**  
**U.S. HOUSE OF REPRESENTATIVES**  
**JULY 8, 2002**

My name is Bert Roberts. I am the Chairman of WorldCom's Board of Directors.

First, I agree with John Sidgmore's comments. The accounting irregularities that are the subject of today's hearing are an outrage to me. To my mind, the failure of our outside auditors to uncover them is inconceivable. That said, it is important to emphasize that our company's internal controls brought the problem to light. I commend our internal auditing group not only for their discovery of the problem, but also for having the fortitude to bring this matter forward to the Board's Audit Committee.

When I first learned of a potential accounting problem on June 20, 2002, I was stunned. My emotions ran the gamut, from disbelief to concern to anger. When the problem was

confirmed and brought to the Board's attention, action on the part of the company was swift and decisive. The principal, specific actions taken by the Board after being apprised of the situation are summarized in a statement we filed with the Securities and Exchange Commission (SEC) on July 1, 2002, a copy of which is attached to John's testimony.

At this point, we have more questions than we have answers. Let me assure the American people and the members of this Committee that we are absolutely determined to get to the bottom of this. We will work with Congress, with regulators, with the Department of Justice and with independent investigators to resolve all issues associated with these accounting irregularities, as well as to develop standards and systems to prevent this from happening again, at WorldCom or anywhere else. We must. Restoring public trust in our company -- and in the marketplace -- demands it.

To that end, William McLucas has been retained to conduct an independent investigation. Mr. McLucas is a former Chief of the SEC's Enforcement Bureau. His integrity and competence ensures that this investigation will enable us to know exactly what happened, when and why. Then we can take all of the steps necessary to prevent any similar future occurrences.

Secondly, I would like to amplify something else John mentioned: WorldCom is a great company that we will do everything in our power to save. I have spent nearly thirty years trying to open telecom markets to competition -- originally at MCI and, for the last few

years, at WorldCom. No other company on the planet has the legacy that MCI, now a part of WorldCom, does in promoting competition and in advancing the Internet:

- Unlike every other major telecom firm, our company is the only one that had to compete for – and win – every customer we have. Unlike many of our competitors, we were never a monopoly.
- We have consistently beaten our competitors in the marketplace and, as a result, we have the privilege of serving over 20 million customers. Today we are:
  - The second largest long distance company in the U.S.;
  - The largest competitive provider of local telephone services;
  - The largest carrier of international traffic; and
  - The world's biggest Internet backbone provider.
- We have world-class employees whose great ideas and marketing savvy have produced – year in and year out – innovative services and consumer savings. Savings may be the ultimate measure of our success and our continuing value to the marketplace. Since MCI introduced competition to the old Bell System, residential consumers and business users have saved many tens of billions of dollars.

The last thirty years in the telecom business have been tumultuous. Truly, we have been witness to a revolution. In the process, we've seen, and had to manage through, many ups and downs. Never before, though, has this company faced a greater challenge. But never before has our resolve been greater.

With your support, we will meet this challenge. We will deal with this matter openly, expeditiously and responsibly to restore trust in our corporate and financial institutions – to the satisfaction of both government officials and the American people. And we will rebuild the value of this great company and ensure its long-term viability for our customers, our employees, our lenders and our shareholders.